

## **BUDGET, FINANCE & INVESTMENT COMMITTEE**

**November 4, 2010**

**5:30 P.M.**

**Courthouse**

### MINUTES:

#### Members Present:

Comm. Charlie Baum  
Comm. Joe Frank Jernigan  
Comm. Will Jordan  
Comm. Steve Sandlin  
Comm. Doug Shafer  
Comm. Joyce Ealy, Chrm.

#### Others Present:

Ernest Burgess  
Teb Batey  
Comm. Chantho Sourinho  
Lisa Nolen  
Jim Baker  
Sumner Bouldin

#### Others Present:

Holly Sears  
Robert Arnold  
Joe Russell  
Heather Dawbarn  
Bill Boner  
Jeff Sandvig

#### Others Present:

Chassen Haynes  
Elaine Short

Chairman Ealy presided and called the meeting to order at 5:30 P.M. with Comm. Peay being absent.

### APPROVE MINUTES:

The minutes of the October 7, 2010 Budget Committee meeting were presented for approval.

Comm. Shafer moved, seconded by Comm. Jernigan to approve the minutes as presented.

The motion passed unanimously by acclamation.

### INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that there had been no investment transactions during the month. The LGIP interest rate for the month was .25%.

Comm. Sandlin moved, seconded by Comm. Jordan to approve the monthly Investment Report as presented. The motion passed unanimously by acclamation.

### FUND CONDITION REPORT:

Mrs. Lisa Nolen, Finance Director, presented the monthly Fund Condition Report for the month ending October 31, 2010. The Development Tax collections for the month totaled \$45,000 with the year-to-date Development Tax collections being \$351,000. This compared to the same period last year when the Development Tax collections for October, 2009 were \$72,000 and the year-to-date Development Tax collections were \$401,250. She advised that the October collections were the lowest ever since the Development Tax was implemented.

The Finance Director reviewed the funds cash balances totaling \$115,220,767 with \$110,843,501 being operating funds and \$4,377,266 being borrowed funds. This compared to the same period last year when the total cash balances were \$138,737,447 with \$99,604,846 being operating funds and \$39,132,601 being borrowed funds.

The Finance Director pointed out that the cash balance in the General Fund was \$14,173,755 compared to \$7,614,860 for the same month last year. She reminded the committee that the Development Tax Fund had been closed with the balance of \$4,166,028 being transferred to the General Fund.

The Finance Director also brought the committee's attention to the cash balances in the Rockvale Middle School, Brown's Chapel Elementary School, and 2007 Repairs, which would be amended later in the meeting transferring the funds to a new elementary school project and the Stewarts Creek High School Project. She explained that the elementary school funds were accounted for separately from the high school funds, because this money had been shared with the City of Murfreesboro.

The Finance Director also distributed an analysis of the various revenue accounts by fund advising that there were no unusual occurrences to report.

Following review, Comm. Jordan moved, seconded by Comm. Jordan to approve the Fund Condition report for the month ending October 31, 2010 as presented.

The motion passed unanimously by acclamation.

#### INSURANCE REPORT:

The Finance Director presented the monthly Insurance Financial Report for the use and information of the committee. She advised that the total claim experience for the Employee Insurance Fund including the CareHere activity through the month of September was \$615.96 per employee per month. This compared to \$631.94 per employee per month through September of last year.

The average health cost per employee per month through September was \$673.14 compared to \$718.92 for the same period last year. This represented a 6% reduction in trend.

Regarding the Work Injury Fund Performance, the claims paid year-to-date totaled \$157,074 compared to \$232,928 for the same period last year. This was 67% of last year's claims.

Mrs. Nolen advised that there were 19 open old Workers' Compensation claims.

Following review, Comm. Jordan moved, seconded by Comm. Jernigan to approve the Insurance Financial Report as presented.

The motion passed unanimously by acclamation.

#### REPORT FROM INDUSTRIAL DEVELOPMENT BOARD:

Mr. Jim Baker, Chairman Industrial Development Board, and Mr. Sumner Bouldin presented a report of the Rutherford County Industrial Development Board's current projects. Mr. Baker advised that the IDB was an instrument to provide some financial incentives for the various projects, but he advised that the Chamber of Commerce was responsible for the heavy recruiting of various industries. He advised that the projects as listed represented 13,929 jobs that have come to Rutherford County. He stated that he would not say that it was totally because of the recruitment process, but he stated that it helped a lot. He stated that good jobs do not come to a location any more without a certain amount of recruiting and incentives.

Mr. Baker advised that a considerable number of the abatements will be expiring soon, and some had already expired. He advised that those industries would be paying full property taxes.

Mr. Baker advised that an overwhelming majority of the companies had met their goals and were in compliance with the agreements, with the exception of one. He explained that the IDB would not even offer an abatement unless there was going to be a three to one benefit to cost ratio. He advised that a lot of the projects had a much higher benefit to cost ratio than three to one.

Comm. Shafer asked if Verizon came back into compliance would their abatement be reinstated.

Mr. Baker advised that the agreement with Verizon was that as long as they met their agreement, the IDB would not recruit another call center. He explained that when Verizon ceased to meet their agreement, the IDB was free to recruit other call centers, which they did recruit the V.A. call center in Smyrna. The penalty with Verizon was that the Exclusivity Agreement was terminated due to failure to meet employment projections.

#### **GENERAL FUND BUDGET AMENDMENTS**

##### SHERIFF'S DEPARTMENT:

Sheriff Robert Arnold and Joe Russell were present to request approval of the following budget amendments to recognize revenue received from the sale of recycled materials to Clark Iron and to appropriate the revenue for Maintenance & Repairs of the Building; to appropriate a contribution

received from the Tennessee Emergency Communications Board for in-service training for the Communications Division; and to budget the remaining available fund balance in the Asset Forfeiture Fund and the interest received to date for other supplies and materials:

Increase Revenue:	101-44145 – Sale of Recycled Materials -	\$ 161
Increase Expend.:	101-54210-335 – Maint./Repair Buildings -	\$ 161
Increase Revenue:	101-48130 – Contributions -	\$24,000
Increase Expend.:	101-54110-196 – In-Service Training -	\$24,000
From:	121-34725 – Assigned for Public Safety -	\$ 1,877
Increase Revenue:	121-44110 – Investment Income -	\$ 12
Increase Expend.:	121-54110-499 – Other Supplies/Materials -	\$ 1,889

Following review, Comm. Jordan moved, seconded by Comm. Sandlin to approve the Budget Amendments for the Sheriff's Department, Jail, and the Special Purpose Fund as requested increasing revenue Account 101-44145, Sale of Recycled Materials, by \$161 and increasing expenditure Account 101-54210-335 – Jail/Maintenance & Repair of Buildings by \$161; increasing revenue Account 101-48130, Contributions, by \$24,000 and increasing expenditure Account 101-54110-196, Sheriff's Department/In-Service Training by \$24,000; and amending \$1,877 from Account 121-34725, Assigned for Public Safety, increasing revenue Account 121-44110, Investment Income, by \$12, and increasing expenditure Account 121-54110-499, Other Supplies & Materials by \$1,889.

The motion passed unanimously by roll call vote.

Mr. Russell and Sheriff Arnold advised that on November 10 at 6:00 P.M. they would be giving the Public Safety Committee a tour of the jail as to repairs and upgrades that the facility needed. They invited the Budget Committee to also attend.

Mr. Russell advised that several repairs had been made to the facility, but several more repairs were still needed. He advised that there was only \$120,000 budgeted for maintenance and repairs to the jail, which amounted to \$10,000 a month, and that was not enough to take care of the facility.

#### REGISTER OF DEEDS:

Mrs. Heather Dawbarn, Register of Deeds, requested approval of the following budget amendment to transfer \$26,400 from the Register's Data Processing Account for the purpose of providing funds to purchase data processing equipment and to provide funds for data processing services to update the equipment in preparation for electronic filing:

From:	101-34510 - - RDEP – Restricted for General Government -	\$26,400
To:	101-51600-709 – Data Processing Equipment -	\$22,000
	101-51600-317 – Data Processing Services -	4,400

Mrs. Dawbarn explained that with each document registered, fees were collected and set aside that could only be used to upgrade the electronic equipment in the Register's Office. She advised that there was currently \$691,486 in the Register's Automation Account. She advised that the upgrades to the equipment would give individuals the ability to file documents electronically. She advised that this would especially help individuals who were out of state or in another jurisdiction.

Mrs. Dawbarn provided a list of the equipment upgrades, and called attention to a new copier with a network interface. She advised that a review had been done of the maintenance agreements on the copy machines, and that she was currently paying \$1,061 per month for maintenance agreements for two copy machines. She advised that she was working with the vendor on one of the copy machines to combine and reduce the maintenance agreement with the purchase of a new copy machine. She stated that this would provide a quarterly savings of \$637 and an annual saving of \$2,548. A five-

year maintenance contract would save \$10,195. She also explained that the vendor for the older copy machine no longer wanted to honor the maintenance contract because of the age of the copier.

Comm. Jordan asked when individuals began filing documents electronically how the fees would be collected.

Mrs. Dawbarn stated that the fees would be collected electronically.

Comm. Jordan advised that the County Clerk implemented an electronic system to collect payments, but had problems with a fee being collected over and above the regular payments. He asked Mrs. Dawbarn if she had worked something out with the vendor, who would be collecting a fee for the service.

She advised if there was an increase due to the fee it would be nominal. She explained that with the aggravation of a document being mailed and being incorrect whereby it would have to be sent back to the individual, she believed that it would be worth paying a small fee, and she did not believe most people would have an issue with it. She also advised that the electronic method would be optional, and citizens could continue to file their documents the old way. She also advised that the electronic system would catch mistakes on the front-end and would not allow documents to be filed incorrectly. Mrs. Dawbarn advised that this was the way of the future for Register of Deed's Offices across the state.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendments for the Register of Deeds Office amending \$26,400 from Account 101-34510 - - RDEP, Restricted for General Government, with \$22,000 to Account 101-51600-709, Data Processing Equipment, and \$4,400 to Account 101-51600-317, Data Processing Services.

The motion passed unanimously by acclamation.

#### ASSESSOR OF PROPERTY:

Mr. Bill Boner, Assessor of Property, requested approval of the following budget amendments to provide two additional cubical workstations and to provide additional funding for the Salary Supplements Account and the related benefits due to the state paying \$500 more than anticipated for one supplement and providing an additional \$500 to pay a supplement for an employee who has received the designation as a Certified Public Administrator:

From: 101-51210-308 – Board of Equalization/Consultants -	\$4,600
To: 101-52300-711 – Furniture & Fixtures -	\$4,600
 Increase Revenue: 101-46190 – Other General Government -	 \$ 500
 From: 101-51210-308 – Board of Equalization/Consultants -	 \$ 704
To: 101-52300-140 – Salary Supplements -	\$1,000
101-52300-201 – Social Security -	62
101-52300-204 – State Retirement -	127
101-52300-212 – Employer Medicare -	15

Comm. Jernigan moved, seconded by Comm. Jordan to approve the budget amendments for the Assessor of Property as requested amending \$4,600 from Account 101-51210-308, Board of Equalization/Consultants, to Account 101-52300-711, Furniture and Fixtures, increasing revenue Account 101-46190, Other General Government, by \$500, transferring \$704 from Account 101-51210-308, Board of Equalization/Consultants, with \$1,000 to Account 101-52300-140, Salary Supplements, \$62 to Account 101-52300-201, Social Security, \$127 to Account 101-52300-204, State Retirement, and \$15 to Account 101-52300-212, Employer Medicare.

The motion passed by roll call vote with Commissioners Baum, Jernigan, Jordan, Sandlin, and Ealy voting “yes”; and Commissioner Shafer abstaining.

INFORMATION TECHNOLOGY:

Mrs. Lisa Nolen, Finance Director, requested approval of the following budget amendment for the Information Technology Department, advising that an employee who should have received a step increase during the budget process was overlooked and had not received the step. She explained that the amendment would provide funding to place the employee in the correct step:

From:	101-39000 – Unassigned Fund Balance -	\$1,230
To:	101-52600-121 – Data Processing Personnel -	\$1,015
	101-52600-201 – Social Security -	65
	101-52600-204 – State Retirement -	130
	101-52600-209 – Disability Insurance -	5
	101-52600-212 – Employer Medicare -	15

Comm. Sandlin moved, seconded by Comm. Jordan to approve the budget amendment for the Information Technology Department to provide funding to correct the salary of an individual who should have received a step during the budgeting process with \$1,230 from Account 101-39000, Unassigned Fund Balance, and \$1,015 to Account 101-52600-121, Data Processing Personnel, \$65 to Account 101-52600-201, Social Security, \$130 to Account 101-52600-204, State Retirement, \$5 to Account 101-52600-209, Disability Insurance, and \$15 to Account 101-52600-212, Employer Medicare.

The motion passed unanimously by roll call vote.

FIRE & RESCUE DEPARTMENT:

Mayor Burgess advised that when the Rutherford Volunteer Fire Department and the Rescue Squad were merged into the County Fire & Rescue Department, the Rutherford Volunteer Fire Department was leasing property from Mr. Jim Smythe. He advised that no money was budgeted for this, and the county would be paying the lease to Mr. Smythe until the new building was constructed. He requested approval of the following budget amendment to provide funding to pay rent to Mr. Smythe at a cost of \$1,875 per month, which was \$4.50 per square foot. The amendment provided funding to pay the rent on the building from October 1, 2010 through the end of the Fiscal Year. Mayor Burgess stated that he hoped that the new building would be ready by the end of the Fiscal Year, and then the county would give up this property:

From:	101-39000 – Unassigned Fund Balance -	\$17,000
To:	101-54320-351 – Rentals -	\$17,000

Following review, Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget amendment to provide funding to pay rent to Mr. Jim Smythe for the Rutherford Volunteer Fire Department amending \$17,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-54320-351, Rentals.

The motion passed unanimously by roll call vote.

SCHOOL BUILDING PROGRAM BUDGET AMENDMENTS:

Mr. Jeff Sandvig, Assistant Superintendent advised when the design funds for Stewarts Creek High School were approved it was with the understanding that funds would be borrowed internally until the county went to the bond market. He requested approval of School Building Program Budget Amendments utilizing savings from other projects. Because of the sharing issue with the City of Murfreesboro, elementary funds must be separated from high school funds.

Mr. Sandvig requested to amend \$1,292 from the Rockvale Middle School Project, \$933,543 from the Brown's Chapel Elementary School Project, and \$132,934 from 2007 Repairs for a total of \$1,067,769 with \$861 being moved to Stewarts Creek High School design fees and \$1,066,908 being moved to the next elementary school.

The Finance Director explained that when the county went to the bond market for the next bond issue, the money would be replaced in these projects. She stated that when the County Commission approves a Resolution for the borrowing, it states that the money will be used for the constructing, equipping and design of schools but does not state specific schools. She also explained that the county is very careful that money that is borrowed for elementary schools is shared appropriately with the City of Murfreesboro.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the School Building Program Budget Amendments as requested transferring \$1,292 from the Rockvale Middle School Project, \$933,543 from the Brown's Chapel Elementary School Project, and \$132,934 from the 2007 Repairs with \$861 to Stewarts Creek High School design fees and \$1,066,908 to the next elementary school project.

The motion passed unanimously by roll call vote.

Mr. Sandvig requested approval of a second amendment to clean up budgeted funds in four projects that are underway. No new funds were being added to the projects. The amendment moved already budgeted funds to different line items within each project:

Campus School Renovation -	\$ 9,167
Oakland Middle School -	248,969
Whitworth Buchanan Middle School -	397,939
Central Magnet School -	555,660

Following review, Comm. Shafer moved, seconded by Comm. Jordan to approve the School Building Program clean up amendments reallocating already budgeted funds to the proper line items where the money was being spent with \$9,167 for Campus School Renovation; \$248,969 for Oakland Middle School; \$397,939 for Whitworth Buchanan Middle School; and \$555,660 for Central Magnet School;.

The motion passed unanimously by roll call vote.

## **OTHER BUSINESS**

### **2010 HOMELAND SECURITY GRANT:**

Mr. Roger Allen, Emergency Management Director, requested approval of a Grant Contract with the Tennessee Emergency Management Agency for the 2010 Homeland Security Grant in the amount of \$441,959.75, which was 100% federally funded. Mr. Allen advised that this was the amount that was approved for Rutherford County by the UASI Homeland Security District for 2010. Mr. Allen distributed a list of equipment to be purchased, which was also approved by the UASI Homeland Security District. Items being purchased were for the Smyrna Fire Department, Volunteer Fire Departments, SORT, Emergency Medical Service, Law Enforcement, and portable radios and mobile radios to bring every department into compliance.

Comm. Sandlin, moved seconded by Comm. Shafer to authorize the County Mayor to execute the Grant Contract with the Tennessee Emergency Management Agency in the amount of \$441,959.75 for the 2010 Homeland Security Grant Program, which is 100% federally funded.

The motion passed unanimously by acclamation.

### **AIA ARCHITECT AGREEMENTS FOR SMYRNA HEALTH DEPARTMENT EXPANSION AND FIRE & RESCUE BUILDING:**

Chairman Ealy asked for some guidance from the Finance Director and Mayor Burgess regarding the AIA Architect Agreements for the Smyrna Health Department Expansion and the Fire & Rescue Building. She stated that from the Property Management minutes it appeared that the committee forwarded the AIA Architect Agreement for the Smyrna Health Department expansion. She asked if the Budget Committee needed to take action on the agreement.

The Finance Director stated that from the Property Management Committee minutes, it appeared that they had forwarded the AIA Agreement for the Smyrna Health Department expansion, but the minutes did not reflect that the Property Management Committee had forwarded the AIA Agreement for the Fire & Rescue Building. The Finance Director advised that budgets had already been approved for both projects, and she was not sure that further approval was needed from the Budget Committee. She reminded the committee that a grant for the Smyrna Health Department expansion was approved last month.

Mayor Burgess advised that the grant would pay for the Smyrna Health Department expansion, which would include the engineering and architectural services. He also advised that he did have a copy of the AIA Agreement for the Fire & Rescue Building.

The committee agreed that no further action was needed by the Budget Committee, and that it would be appropriate for the Property Management Committee to present the AIA Agreements for both the Smyrna Health Department expansion and the Fire & Rescue Building to the County Commission.

ADJOURNMENT:

Comm. Shafer announced that the La Vergne High School band would be performing in Annapolis, MD at the 2010 USSBA Grand National Band Competition. He stated that they were the only band from Tennessee performing in the competition. He stated that the La Vergne High School band was one of 100 bands throughout the United States that had been invited to compete.

Chairman Ealy reminded the committee that the County Commission would be meeting on November 18.

There being no further business to be presented at this time, Chairman Ealy adjourned the meeting at 6:18 P.M.

---

Elaine Short, Secretary